

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES
Before the Commissioner of the Office of Financial and Insurance Services**

In the matter of:

**Diana Toma
38658 Sumpter Drive
Sterling Heights, MI 48310**

Enforcement Case No. 06-4270

Respondent

**Issued and entered,
July 17, 2006
by Frances K. Wallace,
Chief Deputy Commissioner**

CONSENT ORDER

**I.
BACKGROUND**

Mortgage Express of Michigan, Inc. (“Mortgage Express of Michigan”) is a Michigan domiciled corporation, organized under the laws of the state of Michigan, that has made application for licensure as a mortgage broker and lender under the Mortgage Brokers, Lenders, and Servicers Licensing Act (“MBLSLA”), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Diana Toma (Respondent) is the sole owner of Mortgage Express of Michigan. Respondent is not licensed by the Office of Financial and Insurance Services (“OFIS”) pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing Mortgage Express of Michigan’s application, OFIS staff determined that Respondent was conducting mortgage-related activities, which require licensure as a mortgage broker under the MBLSLA. Respondent

and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

II.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. In Respondent's Personal Disclosure Statement submitted to OFIS on or about January 30, 2006, Respondent disclosed that she is currently employed as a loan officer for Integrity Financial located at 26559 Grand River, Redford, MI 48240. Respondent, however, has submitted Forms W-2 and 1099, which shows that in the years 2004 and 2005 Respondent has received remuneration from Integrity Financial, Inc., located at 26559 Grand River, Redford, MI 48240. A licensee William C. Philips dba Integrity Financial dba Urban Mortgage Services also located at 26559 Grand River, Redford, MI 48240, owns Integrity Financial, Inc. Integrity Financial, Inc. is neither licensed nor registered by OFIS to act as a mortgage broker, lender or servicer, and consequently, is proscribed by the MBLSLA from compensating loan officers for originating mortgage loans. Contrary to Section 2 of the MBLSLA, Respondent has originated mortgage loans without a license and or registration from OFIS to engage such an activity, and received remuneration for originating mortgage loans from Integrity Financial, Inc., an unlicensed mortgage company.

2. Respondent provided staff with Forms W-2 and 1099 for the years 2004 and 2005 as evidence of her receipt of remuneration from Integrity Financial, Inc. Respondent's 2004 1099 form shows that Respondent received nonemployee compensation in the sum of \$15,693.88 from Integrity Financial, Inc., this amount was

paid to Respondent for originating mortgage loans. Additional compensation was reported via a W-2 form for the year 2004 in the sum of \$6,143.40 from Integrity Financial, Inc. for mortgage loan origination. Further, in the year 2005, Respondent's compensation from Integrity Financial, Inc., for originating mortgage loans, was reported via a W-2 form in the sum of \$21,385.90.

3. In addition, in a written statement to staff, Respondent indicated that she has been a processor and loan originator for the past 5 years. Respondent further purports that her duties include preparing closing documents, meeting with customers to identify their needs, and making sure that the customer understands, completes, and signs the Fannie Mae Form 1003.

4. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

5. Section 2 of the MBLSLA prohibits a person from acting as a residential mortgage loan originator (also known as a loan officer) without first obtaining a license or registering under the MBLSLA, unless that person meets one of the exceptions prescribed therein. Respondent has not met any of the exceptions enumerated in Section 2 of the MBLSLA. Consequently, Respondent has violated Section 2 of the MBLSLA.

6. Based on the forgoing, Respondent has conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.

III. ORDER

Therefore it is ORDERED that:

1. Respondent shall cease and desist violating Section 2 of the MBLSLA.
2. Respondent shall pay to OFIS an applicable civil penalty of \$1000.00.
3. Respondent, as the sole owner of Mortgage Express of Michigan, Inc., shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.
4. Respondent, as the sole owner of Mortgage Express of Michigan, Inc., shall educate herself and all employees of Mortgage Express of Michigan, Inc. with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Respondent shall review and ensure that Mortgage Express of Michigan, Inc. complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.
6. Respondent, as the sole owner of Mortgage Express of Michigan, Inc., shall immediately designate a compliance officer for Mortgage Express of Michigan, Inc. and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Mortgage Express of Michigan, Inc. is in compliance with all applicable state and federal laws. Respondent's written notice designating a compliance officer shall accompany her payment of a civil penalty as provided for in Paragraph 2 of this Order. Respondent, as the sole owner of Mortgage Express of Michigan, Inc., shall

notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

The Chief Deputy Commissioner, the Commissioner's authorized agent, retains jurisdiction over the matters contained herein and has the authority to issue such further Order(s) as she shall deem just, necessary, and appropriate in accordance with the provisions of the MBLSLA. Failure by Diana Toma and Mortgage Express of Michigan, Inc. to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

Frances K. Wallace,
Chief Deputy Commissioner